



Conflict of Interest Waiver Questions and Answers

Is it a conflict of interest for the same person to both appraise and negotiate on the same property?

The Federal regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, allow the same person who appraised, conducted the appraisal review for, or made an appraisal waiver determination on to also negotiate the acquisition of the property. The regulation specifically limits this opportunity to situations where the value of the property is \$10,000 or less.

What safeguards are in place to ensure this opportunity does not rise to the level of a conflict of interest?

The regulation at 49 CFR 24.102(n) preclude the use of anyone from making the appraisal, a waiver valuation, or doing an appraisal review if they have any interest, direct or indirect, in the real property being valued. The regulation provides for a separation of functions to keep a supervisor who might otherwise be a negotiator on the same property from unduly influencing or coercing the appraiser, waiver valuation preparer, or review appraiser.

What is the purpose of allowing the same person to appraise and negotiate a property?

Appendix A of 49 CFR 24.102(n) points out that the overall objective is to minimize the risk of fraud while allowing agencies to operate as efficiently as possible. One example could be an agency that has a simple property valuation and acquisition located in a remote part of the state. Rather than sending two persons to the property, one to appraise and one to negotiate, the regulation provides efficiency by allowing one person to handle both functions.

More Information

For more information about functional replacement or other types of flexibilities in ROW, visit FHWA's Every Day Counts website (www.fhwa.dot.gov/everydaycounts/projects/toolkit/row.cfm) or contact Virginia Tsu, FHWA Office of Real Estate Services, at (202) 366-2042 or virginia.tsu@dot.gov.